

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2109-01  
Bill No.: HB 930  
Subject: Drugs and Controlled Substances; Health Care; Health Department  
Type: Original  
Date: April 6, 2015

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Bill Summary: This proposal allows medical marijuana for medical use and provides that it shall be taxed at 8 percent of the purchase price.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(\$1,173,712)	Expected to exceed \$13,424,658	Expected to exceed \$24,418,976
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$1,173,712)</b>	<b>Expected to exceed \$13,494,549</b>	<b>Expected to exceed \$24,282,810</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Criminal Records	\$0	\$4,825,593	(\$232,857)
School District Trust	\$0	Unknown	Unknown
Conservation Commission	\$0	Unknown	Unknown
Parks and Soils	\$0	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>Unknown, greater than \$4,825,593</b>	<b>Unknown ( \$232,857)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 28 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	5	64	64
Criminal Records	0	6	6
<b>Total Estimated Net Effect on FTE</b>	<b>5</b>	<b>70</b>	<b>70</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>Unknown to (Greater than \$310,320)</b>	<b>Unknown to (Greater than \$310,320)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Health and Senior Services (DHSS)** state this proposal is not an entire duplication of another proposal, however, Section 192.945, RSMo allows the DHSS to issue a hemp extract registration card for persons suffering from intractable epilepsy. The hemp extract registration card allows for the legal possession and use of cannabidiol (CBD) oil. This current proposal allows for the legal use of marijuana for persons who are issued a registration card due to a debilitating medical condition. Under this proposal, patients with intractable epilepsy could also qualify to receive a registration card for medical marijuana use.

The DHSS, Division of Community and Public Health (DCPH) provides the following information/assumptions for this proposal:

The state of Oregon has a medical marijuana program in place that seems to be similar to the proposed language of this bill. For purposes of this fiscal note, the State of Oregon's program will be benchmarked in regards to the number of patient and primary caregiver registrants. The Oregon program was initiated in May 1999. Information from the Oregon Medical Marijuana Program (OMMP) at: <http://public.health.oregon.gov/DiseasesConditions/ChronicDisease/MedicalMarijuanaProgram/Pages/data.aspx> and indicates the following as of January 1, 2015:

Number of OMMP patients	69,865
Number of current OMMP caregivers	34,914

### **Registration for Patients and Caregivers**

Section 195.556 requires DHSS to issue registration cards for qualified patients and their caregivers. For the purposes of fiscal note computations, DHSS assumes that the number of patients registered in Oregon will remain at 69,865. Since the diagnoses accepted are broader under the proposed Missouri program and Missouri's rates of chronic diseases are generally higher than those of Oregon, DHSS is assuming 25 percent more applicants in Missouri. Also, the population of Missouri as compared to Oregon is 153 percent.

2014 Population of Oregon – 3,970,239 (Source -- US Census)

2014 Population of Missouri – 6,063,589 (Source -- US Census)

ASSUMPTION (continued)

Calculation of applications:

- Patients: Oregon at 69,865 patients/annual applications. Applying the 1.53 population ratio equals 106,894 patients (69,865 x 1.53). Applying the 1.25 adjustment for additional diagnoses equals **133,618 patients** (for Missouri).
- Caregivers: Oregon at 34,914 caregivers / annual applications. Applying the 1.53 population ratio equals 53,418 caregivers. Applying the 1.25 adjustment for additional diagnoses equals **66,772 caregivers** (for Missouri).

DHSS also assumed Missouri will charge a \$200 annual fee for initial and renewal applications for patients (based on the Oregon fee structure). Missouri estimates the number of patient registrants to increase by two percent each year. Caregivers designated by the registered patients will be issued a primary caregiver registration card at no additional fee. It is further assumed that the first fees would be collected in July 2016 (FY 2017).

	FY 2016	FY 2017	FY 2018
Patient Applications & Renewals (Patients)	0	133,618	136,290
Caregiver Designations	0	66,772	68,108
Total Patient & Caregiver Registration Cards	0	200,390	204,398
Patient Application Fees	\$0	\$26,723,600	\$27,258,000

**Registration for Marijuana Grow Sites**

Section 195.559 requires DHSS to establish a marijuana grow site registration system to authorize production of marijuana by either the registry identification cardholder (patient), a designated primary caregiver who grows marijuana for the cardholder, or a person who is responsible for the marijuana grow site. For purposes of this fiscal note, it is estimated that 25 percent of the patient registrants will grow marijuana for themselves or it will be grown by their designated primary caregiver. It is estimated that another 25 percent will designate a marijuana grow site. For purposes of this fiscal note analysis, it is assumed Missouri will charge a \$200 annual fee for grow site registrations each year. Assuming that each grow site will grow for 10 registered patients (maximum allowed), it is estimated that 3,341 growers will register in FY 2017 and 3,408 in FY 2018. (FY 2017: 133,618 patients times 25 percent, divided by 10 equals 3,341. FY 2018: 136,290 patients times 25 percent, divided by 10 equals 3,408.)

	FY 2016	FY 2017	FY 2018
Grower Applications & Renewals	0	3,341	3,408
Grower Application Fees	\$0	\$668,200	\$681,600
Total Registration Cards (10 per grower)	0	33,410	34,080

ASSUMPTION (continued)

**Registration of Medical Marijuana Facilities**

Section 195.565.1 authorizes the DHSS to establish a medical marijuana facility registration system. For purposes of this fiscal note, it is estimated that 50 percent of the patient registrants will obtain their medical marijuana through a licensed medical marijuana facility. It is also assumed Missouri will charge a \$500 annual fee for medical marijuana facility registrations each year. Assuming that each facility will serve 100 registered patients, it is estimated that 668 facilities will register in FY 2017 and 682 in FY 2018. (FY 2017: 133,618 patients times 50 percent, divided by 100 patients/facility equals 668 facilities. FY 2018: 136,290 patients times 50 percent, divided by 100 patients/facility equals 682 facilities.)

	FY 2016	FY 2017	FY 2018
Facility Applications & Renewals	0	668	682
Facility Application Fees	\$0	\$334,000	\$341,000
Facility Registration Cards	0	668	682

**Program Operations: Staffing**

Sections 195.556 to 195.583 requires the establishment of a medical cannabis pilot program through promulgation of rules for patient and caregiver registration, grower registration, and medical marijuana facility registration; including the development of program forms, registration cards and a computerized database or registration system to allow for the verification of registration cards by law enforcement. As a result, DCPH anticipates the need to hire the following staff beginning on August 28, 2015 (FY 2016) to begin development of the program/system:

One (1) Program Manager Broad Band 2 (\$65,000 annually) – will serve as Chief of the Medical Cannabis Bureau. Duties will include overall program management, including involvement in rule promulgation, development of forms, program policies and procedures, information system development, and initial program set-up.

Two (2) Program Coordinators (\$49,128 each, annually) – will serve as Unit Coordinators. One Unit will be responsible for patient and caregiver registrations, the other will be responsible for the grower and medical marijuana facility registrations. These positions will be involved in the initial program development with the Bureau Chief, hiring of staff, and development of training for staff. Once the program is operational, the Coordinators responsibilities extend to implementation and maintenance of the program, responsibility for meeting application decision deadlines, and ongoing management responsibilities.

ASSUMPTION (continued)

One (1) Health Program Representative III (\$38,928 annually) – duties will include assistance in rule promulgation, program policies and procedures, forms development, information system development/troubleshooting and maintenance, and initial program set-up. This position will serve as the liaison between the Units and IT (Information Technology) work on system maintenance and enhancements. This position will also be responsible for establishing materials to educate the public about the program and exhibiting at conferences or other venues to education physicians and the general public.

One (1) Administrative Office Support Assistant (\$28,104 annually) – duties will include providing administrative assistance to the Bureau Chief, Program Coordinators, Investigators, Inspectors, and HPR III positions. As allowed, this position will also assist in initial processing of patient and caregiver applications for registration cards.

The following staff will be hired effective July 1, 2016 upon completion of the system development and implementation of the program:

Two (2) Investigator III positions (\$40,380 each, annually) – these positions will investigate all instances/complaints of possible fraud or negligence on the behalf of a recommending physician, a registered patient and/or caregiver, a grower, or a medical marijuana facility. With a new program of this size and the legalization of something that remains illegal for the majority of the population, it is anticipated that DHSS will receive a fair number of calls reporting instances of possible fraud and negligence. While two is estimated for purposes of this fiscal note, it may be necessary to add additional staff after the program is operational for some time. The additional costs remain unknown.

Two (2) Grain Inspector IV positions (\$37,548 each, annually) – these positions will complete the onsite inspections of medical marijuana facilities to monitor compliance with the specific requirements outlined in the proposed legislation that need to be met for initial and continued registration of a facility. This specialty position was chosen because the most technical piece involves the process of testing plants for molds, mildew, and pesticides and making sure the facilities are dealing with these issues in a proper way.

One (1) Grain Inspector Compliance Coordinator (\$45,456 annually) – this position coordinates and supervises the work of the Grain Inspector positions; ensuring inspections are completed consistently and timely. This position will also provide technical assistance support to the inspectors and make final action decisions/recommendations for problem inspections.

ASSUMPTION (continued)

34 Senior Office Support Assistant (SOSA) positions (\$25,824 each, annually) – duties will include processing of paper applications to include opening and date stamping of mail, entry of application information into the electronic registry, initial verification of applicant and physician identification, initial application review to include determination of application approval or denial (including incomplete status), preparation of patient and caregiver registration cards, processing of grower and medical marijuana facility applications, preparation of grow site registration cards specific for each registrant number served by the grower, preparation of medical marijuana facility registration cards, processing revoked cards, and answering of phones and assisting telephone callers.

18 Health Program Representative II (HPR II) positions (\$34,944 each, annually) – duties will include supervision of the SOSA positions and quality assurance checks of the application entry and initial verification completed by the SOSAs. This position will have responsibility for final approval of application incomplete notices, rejects, revocations, and card issuances. This position will ensure application process deadlines as mandated by legislation are met. This position will also verify all registrations of marijuana grow sites and medical marijuana facilities, including coordination with the Inspectors for final issuance of facility registrations.

For fiscal note purposed DHSS calculated 45 minutes per patient application. This takes into account that some patient applications would include a designated caregiver.

$133,618 \times .75/\text{hour} / 2,080 \text{ hours per year per staff} = 48 \text{ staff.}$

DHSS calculated 2 hours for the processing of a grower and facility application.

$3,341 \text{ grow sites} + 668 \text{ medical marijuana facilities} = 4,009 \text{ facilities} \times 2 \text{ hours/facilities divided by } 2,080 \text{ hrs/year per staff} = 3.845 \text{ staff round to } 4 \text{ staff.}$  This is a total of 52.

**Printing: Patient and Caregiver Registration Cards, Grower Site Registration Cards, Medical Marijuana Facility Registration Cards, and Brochures**

DHSS will print each patient and designated primary caregiver his/her card. DCPH assumed that each patient and caregiver will renew each year and renewal cards will also need to be printed for each patient and caregiver annually. DCPH will purchase three card printers for \$8,719 each and three magnetic strip encoders for \$695 each. The supplies (including ribbon, te-transfer set, etc) for the printers and encoders average \$0.63 per card. The cards itself cost \$96 per 500.

**ASSUMPTION** (continued)

Registration cards/certificates will be printed for the growers and medical marijuana facilities on special certificate paper (heat sensitive ink background) provided by state printing at a cost of approximately \$200 per 1,000 pieces of certificate paper.

DCPH will print 100,000 brochures each year the program is operational at a cost of \$0.06 per brochure. This brochure will provide the public with information about the medical cannabis program and assistance in completing a valid registration.

**FY 2017**

200,390 patient/ caregiver cards ( $\$96 \text{ per } 500$ ) =  $401 \times \$96 = \$38,496$   
200,390 patient /caregiver card supplies (supplies x  $\$0.63 \text{ per card}$ ) =  $\$126,246$   
34,078 grower & marijuana facility cards/certificates ( $\$200/1,000$ ) =  $\$7,000$   
100,000 brochures ( $\$0.06 \text{ per brochure}$ ) =  $\$6,000$

**FY 2018**

204,398 cards ( $\$96 \text{ per } 500$ ) =  $409 \times \$96 = \$39,264$   
204,398 cards (supplies x  $\$0.63 \text{ per card}$ ) =  $\$128,771$   
34,762 grower & marijuana facility cards/certificates ( $\$200/1,000$ ) =  $\$7,000$   
100,000 brochures ( $\$0.06 \text{ per brochure}$ ) =  $\$6,000$

**Mailing costs**

Each patient and caregiver will receive his/her card in the mail. It is assumed that each patient and caregiver will renew each year and renewal cards will also be mailed to each patient and caregiver annually. Growers and Marijuana Medical Facilities will also receive their registration card/certificate by mail. Growers are to receive a certificate for each registered patient for which they are providing marijuana. It is estimated that each certificate will be mailed separately since the timing of registrations is unknown. If DHSS receives notice from a registered patient that they are changing their grower or designated primary caregiver, the DHSS is required to notify the caregiver and grower of such. It is estimated that 10 percent of the registered participants will submit a change request requiring a change notification by mailing. It is projected that five percent of all applications will be incomplete and requires mailing of an incomplete notice. It is also projected that 25 percent of the printed brochures (25,000) along with paper applications will be mailed to the public upon request. The other printed brochures will be available for distribution at conferences and other public venues.



ASSUMPTION (continued)

Projected mailings are as follows:

	FY 2016	FY 2017	FY 2018
Patient/Caregiver Cards	0	200,390	204,398
Grower Cards/Certificates	0	33,410	34,080
Medical Facility Cards/Certificates	0	668	682
Change Request Notifications	0	13,362	13,629
Incomplete Notifications	0	10,220	10,424
Brochures/app mailed	0	25,000	25,000
<b>Total mailings</b>	<b>0</b>	<b>283,050</b>	<b>288,213</b>

**FY 2017**

283,050 envelopes (\$41 per 1,000) =  $284 \times \$41 = \$11,644$

Postage (283,050 x \$0.39/postage rate) = \$110,390

**FY 2018**

288,213 envelopes (\$41 per 1,000) =  $278 \times \$41 = \$11,849$

Postage (288,213 x \$0.39/postage rate) = \$112,403

**Criminal Records Check**

Sections 195.559.6, and 195.565.4 state DHSS shall conduct criminal records check for persons responsible for marijuana grow sites and medical marijuana facilities. Section 195.568.2 implies DHSS shall conduct a criminal records check on registry identification cardholder and designated primary caregivers. The legislation is unclear about what type of criminal records check would be required. However for fiscal note purposes DHSS assumed the unknown costs would be covered by the application fee for each category and be credited to the Missouri Highway Patrol.

**Oversight** notes the Department of Public Safety (DPS), Missouri State Highway Patrol (MHP) provides that the maximum cost of a records/background check is \$43.05. The DHSS has indicated that the cost of the records/background check would be covered by the application fee for each category of registrant. If records checks were performed on each person with a Grower Registration card, a Facility Registration card or a Patient/Caregiver card, a total of 234,468 background checks would be performed in FY 2017 (33,410 Growers + 668 Medical Facilities + 200,390 Patients/Caregivers). If each background check cost \$43.05, a total of \$10,093,847 would be expended for these checks ( $\$43.05 \times 234,468$ ) in FY 2017; assuming background checks were only performed on registrants obtaining a card in 2017, 4,692 background checks (239,190 total card/certificate holders in FY 2018 - 234,468 total card/certificate holders in FY 2017) would be conducted in FY 2018 at a cost of \$201,991 ( $4,692 \times \$43.05$ ).

ASSUMPTION (continued)

DHSS provided the response for the **Office of Administration, Information Technology Services Division (ITSD)**. Section 195.550. to 195.598 will require the support of an IT vendor to build a data system to support the registration and reporting requirements of the Compassionate Use of Medical Cannabis Pilot Program Act. The system would be used to register, authorize, and provide a registry identification card for registrants authorized by DHSS. Additionally, a system identifying authorized registrants, authorized grow sites, and registered medical marijuana facilities is to be available to authorized employees of state and local law enforcement agencies. Disk space has been estimated at 50 GB for development and test, and 150 GB estimated for production.

Application Storage Costs

In order to manage the final storage of paper applications submitted, Content Manager for electronic scanning and storage will be utilized. The costs for Content Manager are estimated at \$132 per month for the state data server costs, \$624 for an annual license for each user, and \$686 for an annual license for each position with ability to scan/import documents.

It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. As a result, it is estimated that the provisions of this proposal will require 8,640 IT contractor hours at \$75/hour or \$648,000 for FY 2016, plus equipment and expense. On-going costs for FY 2017 are estimated to be \$133,398 and on-going costs for FY 2018 are estimated to be \$136,733. All costs will be charged to the General Revenue Fund.

Officials from the **Department of Corrections (DOC)** state the bill proposes legalizing marijuana for medical purposes for a period of six years with a further possible re-authorization for another six years. After registration people with a debilitating medical condition be allowed the possession of up to 24 ounces of marijuana or the possession of 6 plants. Registered medical caregivers will be allowed to grow medical marijuana for certified patients and will be limited to a combined maximum of 18 plants per patient.

Although all drug offenses are changed to exempt marijuana for medical purposes the proposed limits and rules should limit the possession, distribution and manufacturing of marijuana for medical purposes and the estimate of the impact is based upon the numbers of offenders with a drug possession conviction for marijuana (NCIC sub-code from 60 to 64) and who are classified as have as needing daily prescriptions or contact by prison medical staff.

In FY 2014 there were 113 new prison admissions for marijuana possession, of which 7 had a medical assessment of daily need (6%). The average time served for the offense is 12 months followed by three years parole. In FY 2014 there were 254 new probations for marijuana possession and the same percentage of 6% was applied to give an estimated 15 offenders who would be able to obtain a medical waiver and will serve three years before discharge.

ASSUMPTION (continued)

The proposed pilot is for six years but it can be re-authorized for another six years; therefore, the impact is provided for ten years.

The FY 2014 average cost of supervision is \$6.72 per offender per day or an annual cost of \$2,453 per offender. The DOC cost of incarceration is \$16.725 per day or an annual cost of \$6,105 per offender.

In summary, DOC assumes a savings from the reduction of offenders incarcerated (7) or under supervision (up to 66), of approximately \$66,275 in FY 2016, \$136,166 in FY 2107, and \$195,035 in FY 2018.

**Oversight** assumes the DOC would not experience savings in FY 2016 as the DHSS assumes it will not begin collecting fees and issuing registration cards until FY 2017.

Officials from the **Department of Revenue (DOR)** state the proposal has the following impact:

Sections 144.020 and 144.021 modifies these sections of law to impose an eight percent sales tax on the retail sale of medical marijuana. The Department is unable to determine the impact to Total State Revenue without knowledge of the number of entities growing, manufacturing, distributing, and selling the product.

Section 144.030.2(19) is a newly added provision of this section which specifically excludes medical marijuana from the exemption authorized in this subdivision.

Administrative Impact:

This legislation requires system programming and form changes totaling approximately 1,335 contract Information Technology (IT) hours for a cost of \$100,116.

DOR notes their Collections & Tax Assistance will see additional registrations, registration phone calls, business tax account update requests, and delinquent phone contacts from the additional business registering to collect sales tax on medical marijuana. The section requires one (1) Revenue Processing Technician I (\$26,652 annually) per 13,200 additional contacts annually to the registration section and one (1) Tax Collection Technician (\$26,652 annually) for every additional 15,000 contacts annually on the delinquent tax line. Each technician requires CARES equipment and license.

DOR notes their Business Tax Processing / Excise Tax will need to send rate change notices to all businesses that sell medical marijuana. The legislation requires any business selling medical marijuana that does not have an existing sales tax license to register and post a bond.

ASSUMPTION (continued)

DOR assumes a total cost of \$182,525 in FY 2016, \$84,086 in FY 2017, and \$84,960 in FY 2018.

**Oversight** has, for fiscal note purposes only, changed the starting salary for Revenue Processing Technician I and Tax Collection Technician to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Based on DHSS assumptions regarding when they would begin to collect fees and issue registration cards, **Oversight** assumes the DOR would not need the additional staff until FY 2017.

**Oversight** will reflect an unknown amount of sales tax revenue from the sale of medical marijuana.

Officials at the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** assume the following:

§195.571

The Division of Drug and Crime Control states that indoor growing operation investigations are handled in each of the nine (9) troops. It is assumed that many people involved with indoor growing would put forth a defense related to the production of medicinal marijuana.

Item 2 of 195.571 requires "Any property interest possessed, owned, or used in connection with the medical use of marijuana or acts incidental to the medical use of marijuana that has been seized by state or local law enforcement officers may not be harmed, neglected, injured, or destroyed while in the possession of any law enforcement agency. A law enforcement agency has no responsibility to maintain live marijuana plants lawfully seized. No such property interest may be forfeited under any provision of law providing for the forfeiture of property other than as a sentence imposed after conviction of a criminal offense. Usable marijuana and paraphernalia used to administer marijuana that was seized by any law enforcement office shall be returned immediately upon a determination by the district attorney in whose county the property was seized, or the district attorney's designee, that the person from whom the marijuana or paraphernalia used to administer marijuana was seized is entitled to the protections contained in sections 195.550 to 195.598. The determination may be evidenced, for example, by a decision not to prosecute, the dismissal of charges, or acquittal."

Even though this proposed legislation eliminates the responsibility of law enforcement to maintain live plants, it would still require the MHP to ensure equipment, chemicals and "usable marijuana and paraphernalia" are stored in a secure location until such time as the criminal case

ASSUMPTION (continued)

can be adjudicated. There is not sufficient storage space in any of the nine MHP evidence facilities to properly store marijuana grow equipment and chemicals. Without clarification on this topic, an exact fiscal impact cannot be determined; however, the MHP assumes the impact will exceed \$100,000 annually, with the majority of the cost involving the rental of storage space.

**Oversight** assumes the MHP would not incur rental space costs until FY 2017 as the DHSS assumes it will not begin collecting fees and issuing registration cards until FY 2017.

§195.583

This proposed legislation would require an interface between the MHP and the Department of Agriculture. The work will be completed by the state's computerized criminal history vendor, Computer Projects of Illinois (CPI), because the systems affected are components of a commercial system bought by the MHP. CPI estimates a total of 600 (80 + 120 + 70 + 100 + 90 + 80 + 60) hours of combined work @ \$100 per hour for a total price of \$60,000 (600 x \$100) based on the following projections:

- 80 hours - Discovery and design
- 120 hours - Database modifications
- 70 hours - Store procedure codes
- 100 hours - Forms creation and redesign
- 90 hours - Switch routing and transactions
- 80 hours - Testing
- 60 hours - Project management
- 600 hours

In addition, the MHP estimates an annual maintenance cost of \$5,200.

§195.559

The Criminal Justice Information Services (CJIS) Division anticipates approximately 100,000 background checks will be generated as a result of the passage of this legislation as estimated by the DHSS. The state of Colorado had 108,000 marijuana cards issued and 1,200 dispensers.

§195.559.6 states "The department shall conduct a criminal records check under chapter 43 of any person whose name is submitted as a person responsible for a marijuana grow site. This proposal does not specifically identify the type of check to be conducted under chapter 43 (name based or fingerprint based) nor does it specify if a federal criminal record check is required. The section excludes those individuals convicted of a class A or class B felony for the manufacture or delivery of a controlled substance in Schedule I or Schedule II. A name based open record check

ASSUMPTION (continued)

would provide the information needed to process the registration cards for Missouri offenses; however, it would not provide national conviction information. To obtain criminal history convictions in other states, a federal fingerprint based criminal record check would be required. This legislation does not specify if a federal fingerprint based criminal record check is required; therefore, it does not meet P.L. 92-544 criteria.

Once the type of criminal record checks to be conducted is verified, the following formulas can be used to determine the anticipated fiscal impact for name based criminal record checks or fingerprint based criminal record checks.

The cost per request for each name based criminal record check is \$12 ( $100,000 \times \$12 = \$1,200,000$ ). Since the majority of named based criminal record checks are processed electronically via the Missouri Automated Criminal History Site (MACHS) name portal, no additional personnel would be required.

The cost for each fingerprint based background check processed is \$43.05. Twenty dollars for the state fingerprint check, \$14.75 for the federal check, and an \$8.30 charge for the electronic fingerprint option used through a third-party vendor ( $\$20 + \$14.75 + \$8.30 = \$43.05$ ). Of this amount, the state retains the \$20 fee and \$2 of the federal charge of \$14.75 for a pass-thru fee. The \$8.30 charge is paid directly to the vendor at the time of application.

Estimated Revenue

100,000 x \$34.75 (state/federal background check)	\$3,475,000
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Estimated Expense

100,000 x \$12.75 (federal background check)	\$1,275,000
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If it is ultimately determined that a state and federal fingerprint based criminal record check is required for issuance of the registry card, then CJIS would be directly affected by this proposal. In 2014, approximately 167,000 fingerprint-based criminal background checks were processed by the CJIS Division. The estimated combined totals for fingerprint-based background checks required under this proposal would total 100,000 requests which would increase the total number of fingerprint-based criminal record checks by 60%.

If this change were to occur, the CJIS Division would need to employ conservatively three (3) additional FTE's to manage the increased work load. Due to the required training requirements and increased work load, the requirements of this proposal would place an immense processing burden on the CJIS Division and, ultimately, lead to reduced processing times on criminal history background checks for positions of public trust.

ASSUMPTION (continued)

Currently, the requests are processed by a CJIS Technician. These FTE's would process all fingerprint based criminal record check requests to include Automated Fingerprint Identification System (AFIS) and Computerized Criminal History (CCH) processing, review criminal history records for accuracy and completeness, and contact agencies to locate or update dispositions.

These FTE will most likely be 2nd and 3rd shift employees so they would not require any equipment. However, there would be recurring costs of \$650 per year per FTE for office supplies and phone charges. If any FTE were placed on the 1st shift, standard equipment would be required at a one-time cost of \$6,094 per FTE.

3 CJIS Technicians (\$29,004 each, annually )	\$87,012
Equipment/Office Furniture	\$6,094

RECURRING COSTS

Phone Charges per FTE	\$350
Office Supplies per FTE	\$300

**Oversight** assumes, based on assumptions made for the DHSS, that the MHP may be required to perform as many as 234,468 background checks in FY 2017 and 4,692 checks in FY 2018. As a result, the MHP's revenue to the Criminal Records Fund for FY 2017 would total \$8,147,763 [234,468 total cardholders X \$34.75 (\$43.05 - \$8.30 paid directly third party vendor)] and FY 2018 revenue would total \$163,047 (4,692 new cardholders X \$34.75). FY 2017 expenses would total \$2,989,467 (234,468 cardholders X \$12.75 net federal fee) and FY 2018 expenses would total \$59,823.

In addition, based on a similar proposal from the current session (HB 490), **Oversight** assumes the MHP could require 6 CJIS Technicians to handle the increased workload plus equipment and supplies (beginning in FY 2017 based on DHSS assumptions). These FTE will be needed for subsequent years to process the backlog of requests created as a result of the passage of this proposal. It is further assumed that these FTE will most likely be 2nd and 3rd shift employees so they would not require any equipment. However, there would be recurring costs of \$650 per year per FTE for office supplies and phone charges. If any FTE were placed on the 1st shift, standard equipment would be required at a one-time cost of \$6,094 per FTE.

Officials at the **Office of Administration's Division of Budget and Planning (B&P)** state Section 144.020.3 imposes an eight percent (8%) tax on the sale of medical marijuana which is not exempt from state or local sales tax provided under 144.030.2(19). This will increase Total State Revenues and impact the state's Article X, Section 18(e) calculation. B&P defers to the Department of Revenue for an estimate of revenues generated by the taxes on this product.

ASSUMPTION (continued)

Any fines collected as a result of violating Section 195.553.10 will impact Total State Revenues but will not impact the state's Article X, Section 18(e) calculation.

The Department of Health and Senior Services (DHSS) is also authorized to impose and collect fees for the issuance of registry identifications cards under Section 195.556.2, registration of marijuana grow sites under Section 195.559.8, and registration of medical marijuana facilities under Section 195.565.12(2). Any fees imposed will increase total state revenues and impact the state's Article X, Section 18(e) calculation. B&P defers to the DHSS for an estimate of revenues generated by the fees.

**Oversight** assumes any fines collected as a result of violating Section 195.553.10 are unknown and will not be presenting fine revenue in the fiscal note.

Officials from the **Department of Natural Resources (DNR)** state the DNR's Parks and Soils Sales Tax Funds are derived from a one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, the DNR assumes this proposal could result in an increase in revenue to the Parks and Soils Sales Tax Funds. These funds have been used for the acquisition and development, maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs. It is unknown the amount of sales of medical cannabinoids that would result from this proposal.

The DNR assumes the Department of Revenue and the Office of Administration , Division of Budget and Planning will provide a more detailed account of the fiscal impact to the Parks and Soils Sales Tax Funds.

Officials at the **Department of Conservation** assume an unknown positive impact on the Department.

Officials from the **Cooper County Public Health Center (CCPHC)** state the impact of this proposal on local public health agencies (LPHAs) is unknown at the present time.

**Oversight**, for fiscal note purposes, is not presenting the potential unknown fiscal impact anticipated by CCPHC as it is not known whether the impact is positive or negative. In addition, other LPHAs responding to this fiscal note request have indicated they are not anticipating a fiscal impact.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.



ASSUMPTION (continued)

Officials from the **Office of State Public Defender (SPD)** state the proposed legislation would establish a pilot program for the medical use of marijuana. This could have some impact on the SPD's system. In FY 2013, the SPD provided representation in an estimated 3,315 marijuana cases. If a percentage of these cases were for the proposed appropriate medical use, this number could/would be reduced. It is not possible or feasible to estimate a number that would have been for a "legal" use.

The SPD is currently providing legal representation in caseloads in excess of any recognized standards. Removing these cases would assist public defenders by reducing their caseloads, but it is not expected to result in significant savings.

Officials from the **University of Missouri (UM)** have reviewed the proposed legislation and determined that as written, it should not create additional expenses in excess of \$100,000 annually.

**Oversight** assumes the UM's response indicates that any costs incurred would be absorbable within current funding levels.

Officials from the **Missouri Office of Prosecution Services (MOPS)** state the proposal will have no measurable fiscal impact on the MOPS.

Officials from the **Cole County Sheriff's Department** state the proposal should have a minimal fiscal impact on their organization.

Officials from the **Columbia Police Department** state the proposal will have a minimal impact as there will be training of officers related to the provisions of the proposal.

Officials at the **St. Louis County Police Department** assume this would cost approximately \$310,320 annually for four additional police officers (an average salary and benefits per officer of \$77,580).

**Oversight** assumes these costs would not begin until FY 2017.

Officials from the **Department of Mental Health (DMH)** state this legislation appears to place no obligation or requirement on the DMH that would result in a fiscal impact. However, the demand for substance use disorder treatment would be impacted.

ASSUMPTION (continued)

Officials from the **Department of Agriculture**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety**, **Division of Fire Safety**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, the **Missouri Consolidated Health Care Plan**, the **Missouri Office of Prosecution Services**, the **Office of State Courts Administrator**, the **Office of State Treasurer**, the **State Tax Commission**, **Callaway County**, the **Springfield Police Department**, the **Columbia/Boone County Department of Public Health and Human Services**, the **Harrison County Public Health Department & Hospice**, the **City of Independence Health Department** and the **City of Kansas City** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion,

ASSUMPTION (continued)

McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **law enforcement agencies**: Boone County Sheriff's Department, Buchanan County Sheriff's Department, Clark County Sheriff's Department, Independence Police Department, Jackson County Sheriff's Department, Jefferson City Police Department, Jefferson County 911 Dispatch, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **health departments**: Audrain County Health Unit, Cass County Health Department, Clay County Public Health Center, Henry County Health Center, Hickory County Health Department, Howell County Health Department, Jefferson County Health Department, Linn County Health Department, McDonald County Health Department, Madison County Health Department, Marion County Health Department, Miller County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Polk County Health Center, Pulaski County Health Center and Home Health Agency, Randolph County Health Department, Reynolds County Health Center, Ripley County Health Center, Shelby County Health Department, the St. Francois County Health Center, the St. Joseph Health Department and the Taney County Health Department did not respond to **Oversight's** request for a statement of fiscal impact.

**This proposal will result in an increase in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Income - DHSS</u>			
Application/renewal fees	\$0	\$27,725,800	\$28,280,600
<u>Income - DOR</u>			
Sales tax on medical marijuana	\$0	Unknown	Unknown
<u>Savings - DOC</u>			
Reduction in marijuana related incarcerations / supervision	<u>\$0</u>	<u>\$66,275</u>	<u>\$136,166</u>
Total <u>Income/Savings</u>	<u>\$0</u>	<u>Greater than \$27,792,075</u>	<u>Greater than \$28,416,766</u>
<u>Costs - DHSS</u>			
Personal service (62 FTE)	(\$191,907)	(\$1,957,994)	(\$1,977,574)
Fringe benefits	(\$99,801)	(\$1,018,255)	(\$1,028,437)
Equipment and expense	(\$73,434)	(\$667,035)	(\$160,730)
Background checks	\$0	(\$10,093,847)	(\$201,991)
Rent	\$0	(\$225,082)	(\$230,709)
Total <u>Costs - DHSS</u>	<u>(\$365,142)</u>	<u>(\$13,962,213)</u>	<u>(\$3,599,441)</u>
FTE Change - DHSS	5 FTE	62 FTE	62 FTE
<u>Costs - OA-ITSD</u>			
IT consultant costs	(\$648,000)	(\$133,398)	(\$136,733)
Licenses and supplies	(\$454)	(\$77,843)	(\$79,789)
Total <u>Costs - OA-ITSD</u>	<u>(\$648,454)</u>	<u>(\$211,241)</u>	<u>(\$216,522)</u>
<u>Costs - DOR</u>			
Personal service (2 FTE)	\$0	(\$48,238)	(\$48,720)
Fringe benefits	\$0	(\$25,086)	(\$25,337)
Equipment and expense	\$0	(\$15,309)	(\$2,307)
Computer programming	<u>(\$100,116)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs - DOR</u>	<u>(\$100,116)</u>	<u>(\$88,633)</u>	<u>(\$76,364)</u>
FTE Change - DOR	0 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE (continued)</b>			
<u>Costs - DPS-MHP</u>			
Rental space	\$0	(More than \$100,000)	(More than \$100,000)
Computer programming	<u>(\$60,000)</u>	<u>(\$5,330)</u>	<u>(\$5,463)</u>
Total <u>Costs - DPS-MHP</u>	<u>(\$60,000)</u>	<u>(More than \$105,330)</u>	<u>(More than \$105,463)</u>
 Total <u>All Costs</u>	 <u>(\$1,173,712)</u>	 <u>(More than \$14,367,417)</u>	 <u>(More than \$3,997,790)</u>
 <b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	 <b><u>(\$1,173,712)</u></b>	 <b><u>Expected to exceed \$13,424,658</u></b>	 <b><u>Expected to exceed \$24,418,976</u></b>
 Estimated Net FTE Change on the General Revenue Fund	 5 FTE	 64 FTE	 64 FTE
 <b>CRIMINAL RECORDS FUND</b>			
<u>Income - DPS-MHP</u>			
Fingerprint/background check fees	\$0	\$8,147,763	\$163,047
<u>Costs - DPS-MHP</u>			
Personal service	\$0	(\$175,764)	(\$177,522)
Fringe benefits	\$0	(\$152,941)	(\$154,462)
Equipment and expense	\$0	(\$3,998)	(\$4,097)
Federal background checks	<u>\$0</u>	<u>(\$2,989,467)</u>	<u>(\$59,823)</u>
Total <u>Costs - DPS-MHP</u>	<u>\$0</u>	<u>(\$3,322,170)</u>	<u>(\$395,904)</u>
FTE Change - DPS-MHP	\$0	6 FTE	6 FTE
 <b>ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS FUND</b>	 <b><u>\$0</u></b>	 <b><u>\$4,825,593</u></b>	 <b><u>(\$232,857)</u></b>
 Estimated Net FTE Change on the Criminal Records Fund	 \$0	 6 FTE	 6 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Income</u> - DOR			
Increase in sales taxes received	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Income</u> - MDC			
Increase in sales taxes received	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>\$0</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>PARKS AND SOILS SALES TAX FUND</b>			
<u>Income</u> - DNR			
Increase in sales taxes received	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON PARKA AND SOILS SALES TAX FUND</b>	<b><u>\$0</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

FISCAL IMPACT - Local Government

FY 2016  
(10 Mo.)

FY 2017

FY 2018

**LOCAL POLITICAL SUBDIVISION FUNDS**

Income - Cities and Counties

Increase in sales taxes received

Unknown

Unknown

Unknown

Costs - Law Enforcement Agencies

Personal service, fringe benefits, training

\$0

(Greater than \$310,320)

(Greater than \$310,320)

**ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - LAW ENFORCEMENT AGENCIES**

\$0

Unknown to (Greater than \$310,320)

Unknown to (Greater than \$310,320)

FISCAL IMPACT - Small Business

This proposal could have a significant fiscal impact on small businesses catering to medical cannabis users.

FISCAL DESCRIPTION

This proposal establishes the Compassionate Use of Medical Cannabis Pilot Program Act that allows the use of medical marijuana for the treatment of certain debilitating medical conditions under specified circumstances. In its main provisions, the proposal: (1) Imposes an 8% tax on the retail sale of medical marijuana; (2) Prohibits a qualified patient from being subject to arrest, prosecution, or any penalty for the medical use of marijuana if he or she possesses a registry identification card issued by the Department of Health and Senior Services and the quantity of marijuana does not exceed an adequate supply. If the acquisition, possession, cultivation, transportation, or administration of marijuana by a qualified patient is not possible, the legal protections must extend to the qualified patient's primary caregiver if the caregiver's actions are necessary for the qualified patient's medical use of marijuana. A qualified patient or primary caregiver who has not received a registry identification card, but is in compliance with all other provisions in the proposal, may present evidence supporting his or her need for medical marijuana for treatment of a debilitating medical condition. The evidence may constitute an affirmative defense to a charge of marijuana possession or cultivation and must be admissible in

FISCAL DESCRIPTION (continued)

the courts of the State of Missouri if the evidence otherwise properly qualifies as admissible under the rules of evidence. A qualified patient or primary caregiver must not transport or possess usable marijuana in or upon a motor vehicle unless the usable marijuana is enclosed in a container that is carried in the trunk of the vehicle or enclosed in a container that is not readily accessible from the interior of the vehicle if the vehicle in which the person is traveling does not have a trunk. A violation of these provisions is a class B misdemeanor; (3) Prohibits an attending physician from being subject to civil penalty or discipline, arrest or prosecution, penalized in any manner, or denied any right or privilege for specified actions regarding the medical use of marijuana for a patient with a debilitating medical condition; (4) Prohibits the seizure of marijuana plants, equipment for their cultivation, and legal amounts of medical marijuana from the possession of a qualified patient if the patient presents specified certification as a medical marijuana patient. A person must not be subject to arrest or prosecution or any offense for merely being in the presence or vicinity of medical marijuana. A qualified patient must be afforded all the same rights as any other pharmaceutically medicated individual as it pertains to specified actions; (5) Exempts an individual engaged in or assisting in the medical use of marijuana from the criminal laws of the state for possession, delivery, or production of marijuana; aiding and abetting another in the possession, delivery, or production of marijuana; or any other criminal offense in which possession, delivery, or production of marijuana is an element if specified conditions have been satisfied; (6) Requires the department to establish and maintain a program for the issuance of registry identification cards to individuals who meet the requirements of these provisions. For adults over 18, the department must issue a registry identification card to any qualified individual who pays a fee in the amount established by the department and provides specified information. The department must verify the information contained in an application and must approve or deny an application within 30 days of receipt of the application. The department may deny an application for specified reasons. Denial of a registry identification card must be considered a final department action, subject to judicial review. Only the person whose application has been denied or, in the case of a person under the age of 18 years of age whose application has been denied, the person's parent or legal guardian, must have standing to contest the department's action. Any person whose application has been denied may not reapply for six months from the date of the denial unless authorized by the authority or a court of competent jurisdiction; (7) Specifies the required information that must be stated on a registry identification card and the required notification when the specified information changes. The department is allowed to revoke a card as specified in the proposal. The department and employees and agents of the department acting within the course and scope of their employment are immune from any civil liability that might be incurred or imposed for the performance of or failure to perform duties required by these provisions; (8) Requires the department to establish by rule a marijuana grow site registration system to authorize production of marijuana by a registry identification cardholder, a designated primary caregiver who grows marijuana for the cardholder, or a person who is responsible for a marijuana grow site. The



FISCAL DESCRIPTION (continued)

system adopted must require a registry identification cardholder to submit an application to the department that includes specified information. The department must issue a marijuana grow site registration card to a registry identification cardholder who has met these requirements. A person who has been issued a registration card must display the card at the marijuana grow site at all times when marijuana is being produced. A registration card must be obtained and posted for each cardholder for whom marijuana is being produced at a marijuana grow site. All usable marijuana, plants, seedlings, and seeds associated with the production of marijuana for a cardholder by a person responsible for a marijuana grow site are the property of the cardholder and must be provided to the cardholder or, if the marijuana is usable marijuana or an immature marijuana plant, transferred to a registered medical marijuana facility. The department must conduct a criminal records check of any person whose name is submitted as a person responsible for a marijuana grow site. A person convicted of a class A or class B felony for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a marijuana grow site registration card or produce marijuana for a registry identification cardholder for five years from the date of conviction. A person convicted more than once of a class A or class B felony for the offense may not be issued a registration card or produce marijuana for a cardholder; (9) Allows a registry identification cardholder or the designated primary caregiver of the cardholder to reimburse the person responsible for a marijuana grow site for the costs of labor, supplies, and utilities associated with the production of marijuana for the cardholder. The department may adopt rules imposing a fee in an amount established by the department for the registration of a marijuana grow site; (10) Requires the department to establish by rule a medical marijuana facility registration system to authorize the transfer of marijuana and immature marijuana plants and specifies the information that must be included in an application for a medical marijuana facility to qualify for registration; (11) Specifies that the possession of a registry identification card, designated primary caregiver identification card, or proof of registration as a medical marijuana facility does not alone constitute probable cause to search the person or property of the cardholder or otherwise subject the person or property of the cardholder to inspection by any governmental agency. However, the department may inspect a registered medical marijuana facility at any reasonable time to determine whether the facility is in compliance with the provisions of the proposal; (12) Protects lawfully possessed medical marijuana and facilities from property forfeiture laws and confiscation of plants not in excess of those specified in the proposal; (13) Prohibits a professional licensing board from imposing a civil penalty or taking other disciplinary action against a licensee based on the licensee's medical use of marijuana in accordance with the provisions of the bill or actions taken by the licensee that are necessary to carry out the licensee's role as a designated primary caregiver to a person who possesses a lawful registry identification card. A licensed health care professional may administer medical marijuana to a person who possesses a registry identification card and resides in a licensed health care facility if the administration of pharmaceuticals is within the scope of practice of the professional. Administration of medical marijuana may not take place in a public

### FISCAL DESCRIPTION (continued)

place or in the presence of a person under 18 years of age. If the medical marijuana is smoked, adequate ventilation must be provided. These provisions cannot require a licensed health care professional to administer medical marijuana or a licensed health care facility to make accommodations for the administration of medical marijuana; (14) Specifies that a person otherwise allowed to possess, deliver, or produce marijuana for medical use must not be excepted from the criminal laws of this state or be deemed to have established an affirmative defense to criminal charges if the person, in connection with the facts giving rise to the charges does specified prohibited actions; (15) Requires the information related to registry cardholders and medical marijuana facilities to be confidential and not subject to public disclosure. The department must develop a system by which authorized employees of state and local law enforcement agencies may verify the information at all times; (16) Specifies that the provisions of the proposal must not protect a person from a criminal cause of action based on possession, production, or delivery of marijuana that is not authorized. It is an affirmative defense to a criminal charge of possession or production of marijuana, or any other criminal offense in which possession or production of marijuana is an element, that the person charged with the offense is a person who meets specified conditions. It is not necessary for a person asserting an affirmative defense to have received a registry identification card in order to assert an affirmative defense. However, any defendant proposing to use the affirmative defense under these provisions in a criminal action must, not less than five days before the trial of the cause, file and serve upon the district attorney a written notice of the intention to offer such a defense that specifically states the reasons why the defendant is entitled to assert and the factual basis for the affirmative defense. If the defendant fails to file and serve the notice, the defendant is not permitted to assert the affirmative defense at the trial of the cause unless the court for good cause orders otherwise; and (17) Specifies that these provisions cannot be construed to require a government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana or an employer to accommodate the medical use of marijuana in any workplace.

The provisions of the proposal will expire six years after the effective date.

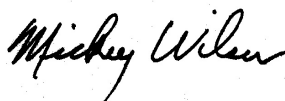
This legislation is not federally mandated, would not duplicate any other program but would require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Attorney General  
Department of Agriculture  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions  
and Professional Registration

ASSUMPTION (continued)

Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety -  
    Division of Fire Safety  
    Missouri State Highway Patrol  
Department of Social Services  
Joint Committee on Administrative Rules  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Department of Transportation  
Missouri Office of Prosecution Services  
Office of Administration -  
    Division of Budget & Planning  
Office of State Courts Administrator  
Office of Secretary of State  
Office of State Public Defender  
Office of State Treasurer  
State Tax Commission  
University of Missouri  
Callaway County Commission  
Cole County Sheriff's Department  
Columbia Police Department  
St. Louis County Police Department  
Springfield Police Department  
Columbia/Boone County Department of  
    Public Health and Human Services  
Cooper County Public Health Center  
Harrison County Public Health Department & Hospice  
City of Independence Health Department  
City of Kansas City



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Mickey Wilson, CPA  
Director  
April 6, 2015

Ross Strobe  
Assistant Director  
April 6, 2015